Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

Part I: Measure Information

Bill Request #: 1463	
Bill #: HB 343	
Bill Subject/Title: _	AN ACT realting to the motor vehicle usage tax.
Sponsor: Represent	tative Myron B Dossett
Unit of Government:	City Urban-County Unified Local
	Charter County Consolidated Local Government
Office(s) Impacted:	County Clerk
Requirement: X	Mandatory Optional
Effect on Powers & Duties:	Modifies Existing X Adds New Eliminates Existing
Part II: Purpose and Mechanics	
HB 343 modifies KRS 138.470 to exempt resident military service members who are on duty in Kentucky from the usage tax on motor vehicles purchased from a Kentucky	

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 343 is expected to be minimal.

dealer.

Under KRS 138.460, county clerks collect a 6 percent usage tax on all motor vehicles, 3 percent of which is retained by the county clerk. The provisions of BR 1695 would exempt resident military service members who are on duty in Kentucky from this tax, thus resulting in lost revenue for the county clerks. The exact amount of lost revenue is indeterminable since the number of active duty service members who might purchase a motor vehicle in a given year from a Kentucky dealer is unknown. However, one might predict that the counties surrounding the three largest military bases in Kentucky would be most affected. They are: Fort Campbell (Christian County), Fort Knox (Bullitt, Hardin, and Meade Counties), and to a lesser degree Bluegrass Army Depot (Madison

County). There is also a very minor Coast Guard presence in Louisville, Ky. There are approximately 40,000 active duty military personnel based in Kentucky.

Data Source(s): <u>LRC Staff</u>

Preparer: Wendell F. Butler **Reviewer:** MCY **Date:** 2/13/15